ALIMENTATION COUCHE-TARD

Annual Report 2002

Awarded to Couche-Tard
for its creative advertising campaigns
and Web site.

The Annual General Meeting of Shareholders will be held on September 25, 2002, at 11:00 a.m. at the VIP Centre, 1000 de la Gauchetière West, Mezzanine level, Montreal, Quebec.

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University of Alberta
1-18 Business Building
Edmonton, Alberta T6G 2R6

Our strength is in our teams

A North American network of 1,958 convenience stores

1,711 Canada

247 United States

756

July 2002

14,800 people working throughout the network and at head office

The leader in the Canadian convenience store industry

Ranked ninth in North America

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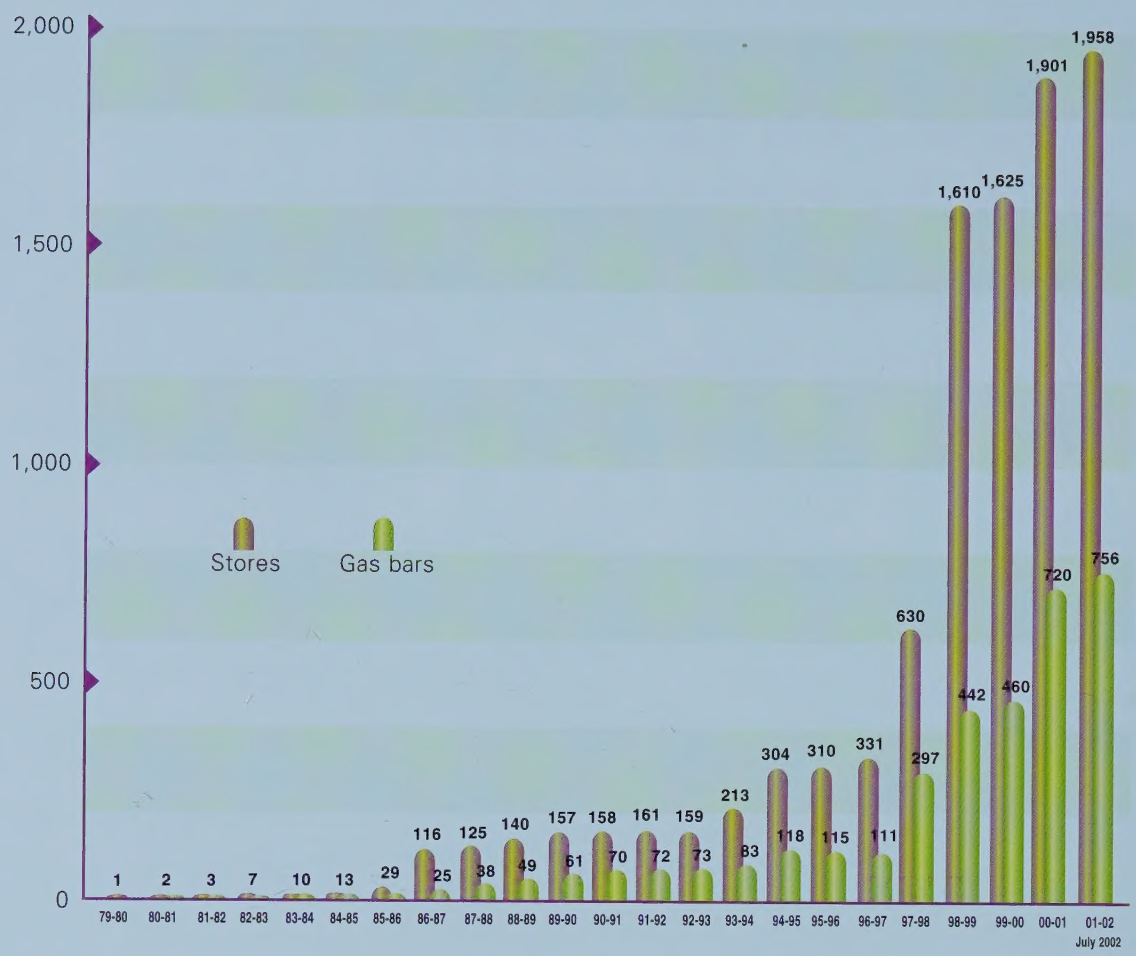
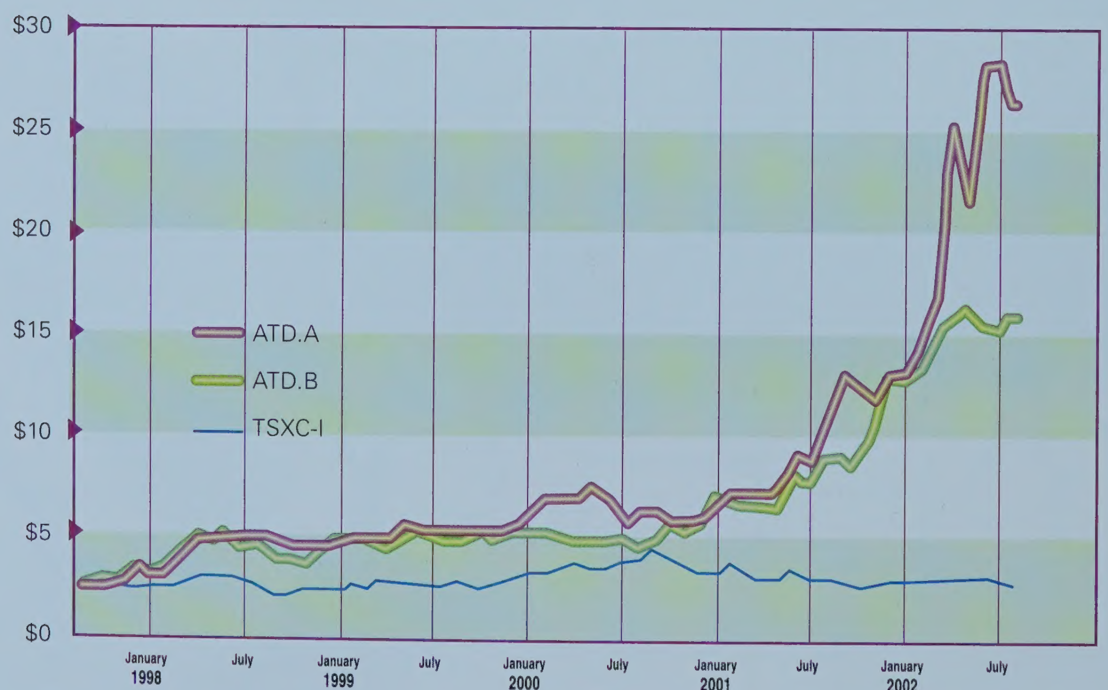
Annual Growth



ATD.A – ATD.B



Taking into account two-for-one share splits in July 2001 and July 2002.

Financial Highlights

Year ended April 28, 2002
(in thousands of dollars except per share amounts, ratios, litres and gallons)

	2002	2001	2000	1999	1998	1997
	$	$	$	$	$	$
Consolidated Results						
Sales	2,443,592	1,673,634	1,573,991	648,517	509,821	267,511
EBITDA	124,812	91,131	78,106	33,981	31,104	13,578
Earnings before amortization of goodwill	49,062	29,307	23,608	12,829	10,074	5,913
Net earnings	49,062	23,971	18,507	11,480	8,599	5,463
Cash flows	97,610	59,491	57,790	23,344	20,369	8,789
Per share						
Earnings						
Basic	1.26	0.64	0.50	0.42	0.38	0.25
Fully diluted	1.21	0.63	0.49	0.40	0.35	0.24
Cash flows	2.52	1.60	1.56	0.84	0.88	0.40
Book value	9.09	6.13	5.49	5.04	3.31	1.87
Financial Position						
Total assets	787,167	560,159	542,176	520,025	203,020	70,242
Fixed assets	315,018	213,492	202,076	175,413	94,380	37,865
Interest-bearing debt	180,653	148,997	183,669	199,645	74,197	11,647
Shareholders' equity	377,123	228,351	204,075	184,480	92,993	41,515
Ratios						
Interest-bearing debt/total capitalization	0.32:1	0.39:1	0.47:1	0.52:1	0.44:1	0.22:1
Interest-bearing debt/EBITDA	1.45:1	1.63:1	2.35:1	5.88:1	2.39:1	0.86:1

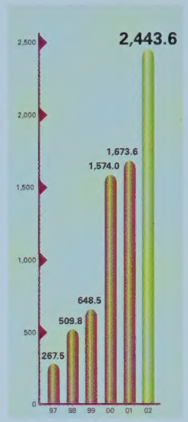
Information on main categories of products (Canada – U.S.)

(in thousands)

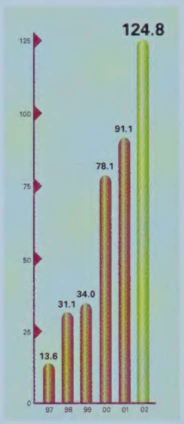
	2002	2001	2000	1999	1998	1997
Sales						
• Merchandise						
— Canada	1,349,565	1,214,263	1,185,761	468,158	329,168	201,566
— U.S. (Cdn$)	205,150					
(US$)	130,611					
• Gasoline						
— Canada ($)	532,203	459,371	388,230	180,359	180,653	65,945
(litres)*	1,177,271	1,023,825	1,002,879	656,986	601,536	196,820
— U.S. (Cdn$)	356,674					
(US$)	227,080					
(gallons)*	187,872					
Gross margin						
• Merchandise (% of sales)						
— Canada	31.68%	32.60%	32.10%*	28.18%*	27.35%*	28.29%*
— U.S.	32.61%					
• Gasoline						
— Canada (cents/litre)*	4.63	4.29	4.54	4.15	4.14	4.28
— U.S. (UScents/gallon)*	12.45					

* Unaudited

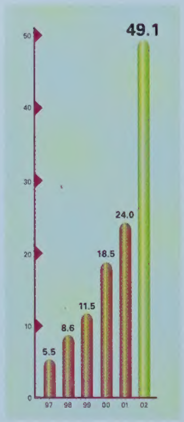
Sales
(million $)



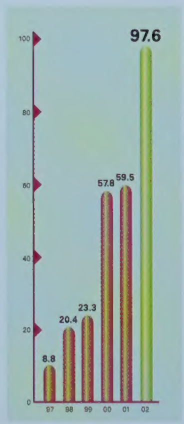
EBITDA
(million $)



Net Earnings
(million $)



Cash Flows
(million $)




Couche-Tard

Message to Shareholders

The 2001-2002 fiscal year was marked by many profitable developments and highlighted by two major challenges that propelled us forward: our first expansion into the United States, with the acquisition and integration of the Bigfoot network, and the start-up of our distribution centre in Quebec. These strategic developments not only delivered immediate results, they also opened up promising avenues for growth. Concurrently, we have continued to expand into the Midwestern United States, where we are about to finalize a second major acquisition, that of Dairy Mart Convenience Stores, Inc., which is scheduled to close on August 20, 2002. Thus, within 18 months we will have more than doubled our network and completed our first growth platform in the United States.

Results for fiscal 2001-2002 bear out the successful integration of the Bigfoot network and the solid performance of our three Canadian markets. This year, sales topped the $2 billion mark, totalling $2,443.6 million as at April 28, 2002. We reported net earnings of $49.1 million, up 104.7%. Our cash flows from operations amounted to $97.6 million, an increase of 64.1% over the previous year, and we strengthened our financial leverage to pave the way for future growth. These results are reflected in our share value, which surged almost 90% in the last year.

Over the past five years, our network of stores has more than tripled, mainly owing to strategic acquisitions which helped us achieve a compound annual growth rate of 55.6% in sales. These developments, combined with the progressive implementation of our Strategy 2000/Store 2000 concept and effective cost controls, have increased our net earnings to a compound annual growth rate of 55.1%.

I would like to acknowledge the outstanding work of our teams, both at head office and throughout the network. Through each phase of our growth, we have emphasized training and professional development, decentralization and teamwork as strategic means of encouraging innovation and productivity, retaining our best resources and achieving our objectives. In addition to our ongoing training programs which focus on the development of skills that contribute to company know-how, I would like to mention **two professional development and training initiatives put into place during the year** — a new university-level program for our executives and managers in Eastern Canada in partnership with the Université de Sherbrooke, and the opening of a training centre in Columbus, Indiana, intended for our American Midwest team. I am particularly pleased with the initial results of the Columbus program which was attended by a large number of employees in this market. Combined with a review of business processes, merchandising and the implementation of state-of-the-art security systems in the stores, this training has already contributed to reducing turnover rates for managers and sales clerks in the Bigfoot network by almost 50%.

Alain Bouchard
Chairman of the Board,
President and Chief Executive Officer

After ten months of operation in the American Midwest, we have accomplished our initial benchmarking and integration goals.

The team in this market displayed considerable expertise and enthusiasm. In a highly competitive market with added pressure on gasoline profit margins during the year, the Bigfoot banner managed to achieve the sales, earnings and synergy objectives expected from the acquisition.

While continuing to reposition each store to ensure that the selection of products and services meets changing market needs, the American Midwest team gradually introduced the Mac's banner into the network. The dozens of stores that already operate under the banner have enjoyed positive feedback from customers at large.

This first acquisition in the American Midwest opened the door to several expansion opportunities in this market, some of which meet our criteria for growth and synergy. Having made headway in integrating Bigfoot, we acquired a network of six stores in **Lafayette**, Indiana, from BP Amoco. This was followed by the acquisition of 12 stores from **Bruce Miller Oil Company** in April 2002 — a productive and profitable network well established in Southwest Indiana and in the metropolitan area of Cincinnati, Ohio, with 50 years of experience in the gasoline business.

Subsequent to year-end, on July 2, we completed the acquisition of 16 **Handy Andy Food Stores** in the Indianapolis area. With a long tradition of innovation, quality of service and profitability, these stores are a good fit for our network.

Moreover, on June 6, 2002, we filed a bid to make a second major acquisition in this market, Dairy Mart Convenience Stores, Inc., a regional leader with a network of some 450 stores in Ohio, Kentucky, Pennsylvania, Michigan and Indiana. Dairy Mart has undergone significant difficulties, and filed for bankruptcy protection in September 2001. Nevertheless, the Dairy Mart banner boasts a solid reputation in its market and, for the most part, its stores are in prime locations. Given the situation, thorough due diligence was performed. **On August 6, 2002, our bid was approved by the Southern District of the New York Court. The transaction will therefore close on August 20, 2002, and we will effectively take possession of the Dairy Mart stores on that date.** Under the terms of the bid, we will acquire those stores that meet our criteria, and close or sell the others on behalf of Dairy Mart during our one-year management contract. This transaction will add about Cdn$700 million to Couche-Tard's annual sales, and we will be within reach of our objective of 1,000 stores in the American Midwest. Our extensive experience in integration and our solid foundation in this market make us confident about our ability to fully develop this network's assets and to optimize its benefits.

On February 14, 2002, our newly built distribution centre started up in Laval, employing 65 people and providing integrated, high-quality service to our Quebec network.

The team in charge of implementing and running this centre has done outstanding work. Although we had expected a standard period of adjustment, this centre began operating efficiently soon after it opened, and we anticipate higher results than forecast for its first year of operation. Besides a reduced error rate, we have posted increasing returns in terms of orders, and processing and billing efficiency. We are proud of this accomplishment, which is part of our objective of cost-cutting and improving the efficiency of our supply chain.

Our prospects for internal growth are very encouraging given that almost two-thirds of the network has not yet been converted to our higher-profit Strategy 2000/Store 2000 concept. Couche-Tard intends to continue opening new stores each year, and the U.S. market will be the focus of our acquisition endeavours.

Fiscal 2001-2002 marked a turning point in our Company's history and everything is in place for a new phase of growth. We are set to close our acquisition of Dairy Mart in the near future and we are planning its integration — a new challenge that we will meet head-on by applying our business model in a creative and disciplined manner, based on the demographic features of these markets. Furthermore, we are doing the groundwork to uncover new expansion opportunities that will enable us to establish our second growth platform in the United States within the next five years.

During the 2002-2003 fiscal year, we will convert more than 200 stores to the Strategy 2000/Store 2000 concept and plan to open around 60 sites in our four geographic markets, approximately 60% of which will have gas bars. We plan to modernize and build stores, with an emphasis on a more economical, functional and ergonomic layout.

Developing our proprietary brands and national branded restaurants inside our stores will remain a focus of growth in our four markets.

At the close of a busy and successful year, we would like to express our gratitude to everyone on our team as well as to our directors, and especially Rodrigue Biron, who is stepping down as a Board member after many years of service and contribution to Couche-Tard. We also wish to thank our suppliers, customers and business partners for their support. We extend thanks to our shareholders for their trust, and we fully intend to increase shareholder value by pursuing Couche-Tard's expansion with vision, leadership, stability and enthusiasm.

Alain Bouchard
Chairman of the Board,
President and Chief Executive Officer

Seeing with the Customer's

This involves abilities and skills for:

- developing, as a team, innovative ideas customized to the market
- testing our innovations in niche markets
- sharpening our listening, action and problem resolution skills
- building a lasting relationship with the customer

We believe that

- all products can be differentiated and transformed into value-added products
- quality leads to cost reductions
- value-added service increases customer satisfaction and sets us apart
- integrated sales and distribution management strengthens our ties with customers and suppliers, and reinforces our positioning

Réal Plourde

Eyes

2001-2002 Operating Highlights

- Acquisition and integration of the Bigfoot network in the American Midwest (June 22, 2001)
- Acquisition of R-Con Centres Inc., Mac's master franchise in Manitoba (August 22, 2001)
- Integration of 56 Mainway/Irving sites in Eastern Canada
- Opening of 27 new stores in Canada
- Deployment of the Strategy 2000/Store 2000 concept at 155 sites for a total of 575, or 35% of the network in the four markets
- Development of proprietary brands
- Opening of 21 national branded restaurants inside stores, bringing the total number throughout the network to 106
- Start-up of a distribution centre in Quebec (February 14, 2002)
- Acquisition of six BP Amoco stores in Indiana (December 20, 2001)
- Acquisition of 12 Miller Oil sites in Indiana and Ohio (April 4, 2002)
- Acquisition of 16 Handy Andy stores in Indiana (July 2, 2002)

Eastern Canada

Human resources, innovations, business partnerships and marketing relations are Couche-Tard's competitive strengths on which we rely to reinforce our network and increase our profitable sales in **Eastern Canada.**

Strategy 2000 • Development of the **Sloche**™ and **La Maisonnée**™ brands and national branded restaurants • New product launches • Creation of partnerships • Optimization of fuelling sites • Professional development and university programs for managers • New market intelligence tools • Start-up of the distribution centre — the Eastern Canada market posted one of its best performances ever in 2001-2002.

While integrating 56 **Mainway/Irving** sites, we opened eight new stores in Eastern Canada, six of them with gas bars. In addition, 30 stores were converted to the **Strategy 2000** concept. More than just corner stores, these new sites are destination stores where consumers can choose from a growing selection of fresh products. **La Maisonnée**™, a Couche-Tard proprietary brand, is part of this freshness offering and has quickly gained popularity, as reflected by a 20%-plus increase in sales during the year.

Coffee remains the beverage with the highest annual penetration rate in our market — during the year, we renewed our partnership with **Van Houtte** for five years. We forged several agreements with national brands including **Subway**, **Dunkin' Donuts**, **M&M Meat Shops**, **Second Cup** and **A&W** to actively develop fast-food services within the network and thus added more than 10 restaurants to our stores.

Stéphane Gonthier *(right)*
Vice-President, Operations,
Eastern Canada
and Secretary

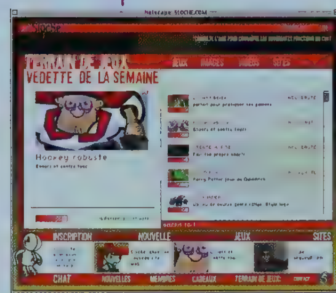
Michel Bernard *(centre)*
Senior Director,
Marketing and Merchandising

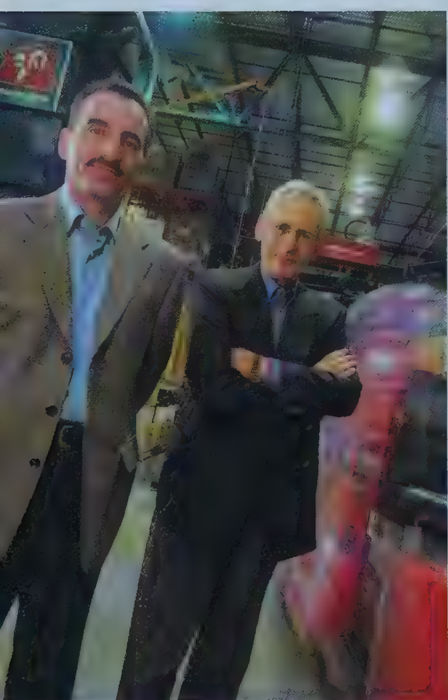
Jean-Luc Meunier *(left)*
Director, Real Estate and Engineering

In keeping with Couche-Tard's three-year program undertaken during the last fiscal year, we continued to optimize our gasoline facilities. This involved installing new equipment and technology, as well as revamping the Petro-Canada, Ultramar and Esso image at 30 sites. Moreover, 20 Couche-Tard sites now sell gasoline under the Irving banner.

Sloche
www.sloche.com

As fans of **Sloche**™ products, teens regularly visit **www.sloche.com**, among the most visited brand sites in Quebec where visitors are encouraged to interact. This proprietary brand continued to expand during the year, adding new flavours and a line of confectionery. Backed by its Web site and a targeted advertising campaign, Sloche brand sales increased significantly during the year.





At the new **distribution centre** for the Quebec network

From left to right

Jacques D'Amours
Vice-President, Administration

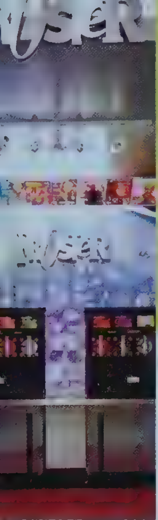
Yvan Bussières
Vice-President, Distribution

Couche-Tard invested $13.5 million in this 100,000 square foot centre that features proven state-of-the-art technologies and high-performance information systems. This new centre will go a long way to enhancing sales, profitability and store competitiveness.

Our objectives for the next fiscal year are ambitious yet achievable. They are aligned with our strategic positioning plan for developing our in-store fresh product offering and optimizing the network. We will also improve efficiency using innovative human resources management and strategic decision-making tools and by gradually but rapidly developing our new distribution centre's full potential.

Central Canada

Central Canada posted strong growth and a solid performance during fiscal 2001-2002, extending the Store 2000 concept throughout the network, enhancing the development of proprietary brands and strengthening its development team to sustain the continuous flow of innovative ideas.



During the year, 57 sites were remodelled and converted to the **Store 2000** concept. Consequently, 36% of the network in Central Canada has now been converted to this concept, continually evolving to adjust to needs and trends. The new stores feature more cost-effective and functional layouts, especially in the cash register area, the nerve centre of every convenience store. Along with these developments, the network continued to expand with 10 stores opening during the year. To grow our business, we hired a Director of Development in the third quarter, whose responsibility will be to identify development and business partnerships with new national brands.

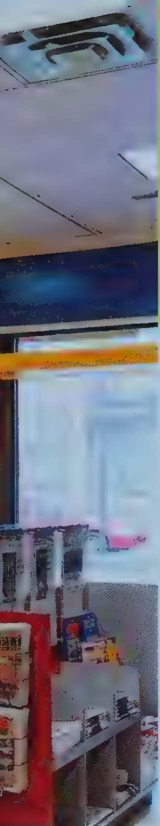
froster.ca

(Previous page)

David Rodgers *(centre)*
Vice-President, Operations,
Central Canada

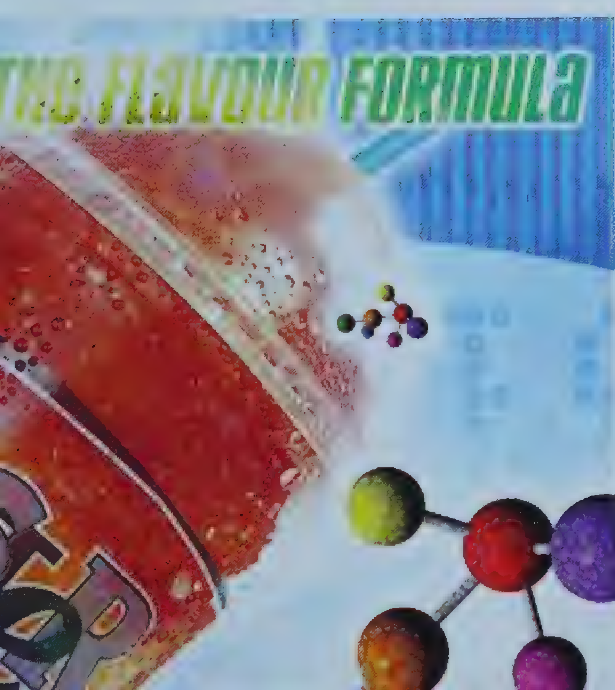
Dale Pettit *(right)*
Vice-President and Treasurer

Steve Tennant *(left)*
Director, Operations



Our customers enjoy the convenience of fast food in our stores, and to meet this growing trend, we opened several restaurants mostly under the **Subway** banner. With the continuing success of the **M&M Meat Shops** program, we opened six of these shops that specialize in frozen meal solutions in rural areas of Ontario, which were highly successful.

Our **Sunshine Joe Coffee Co.** and **Froster**™ brands continued to perform well during the year, backed by promotional and advertising campaigns that appealed to target markets and reinforced their brand recognition. As for the **Froster.ca** site, it is visited by a growing number of teenagers in Central and Western Canada.



We will actively pursue our growth in Central Canada in **2002-2003**, supported by — greater penetration of the renowned Mac's brand — the conversion of about 100 stores to the more economical and functional Store 2000 concept — renewed advertising campaigns — new partnerships with national brands — and a creative focus on our proprietary brands.

Western Canada

Our *"chameleon retailer"* tactic keeps our customers interested and guessing in **Western Canada.** The Store 2000 concept gives us a solid lead over the competition and greatly contributed to our strong performance in 2001–2002. Besides our acquisition of R-Con Centres, owner of the Mac's master franchise for Manitoba and its 31 stores, we developed several initiatives that set us even further apart.

To meet our criteria of quality, economy and flexibility in the ongoing modernization of our sites, we have recently developed and tested our new renovation concept. The test was conclusive: the concept cuts store renovation costs by approximately 60%, while resulting in a 20%-plus increase in sales. We will use this new concept to complete the re-imaging of our network within the next 24 to 30 months.

Sales of cold beverages under our **Froster**™ brand, as well as fresh products, sandwiches and breakfast, coffee and donuts, continued to dominate and showed strong growth during the year.

Froster.ca — a high-traffic site, which was once again the key element in our summer campaign for Froster products. We will continue to support this value-added brand by renewing our creative advertising in the coming year.

Kim Trowbridge *(centre)*
Vice-President, Operations,
Western Canada

Scott Reed *(left)*
Director, Operations

Joe Nemeth *(right)*
Director, Operations

In order to counter the decline in sales in the confectionery category, we are focusing on large formats and family-size packs, which have had great success, as well as on increasing the variety of flavours and brands.

We are strategically positioning ourselves with consumers as the dominant destination for magazines in our channel, while several retailers are rationalizing and withdrawing from this category due to a slowdown in sales.

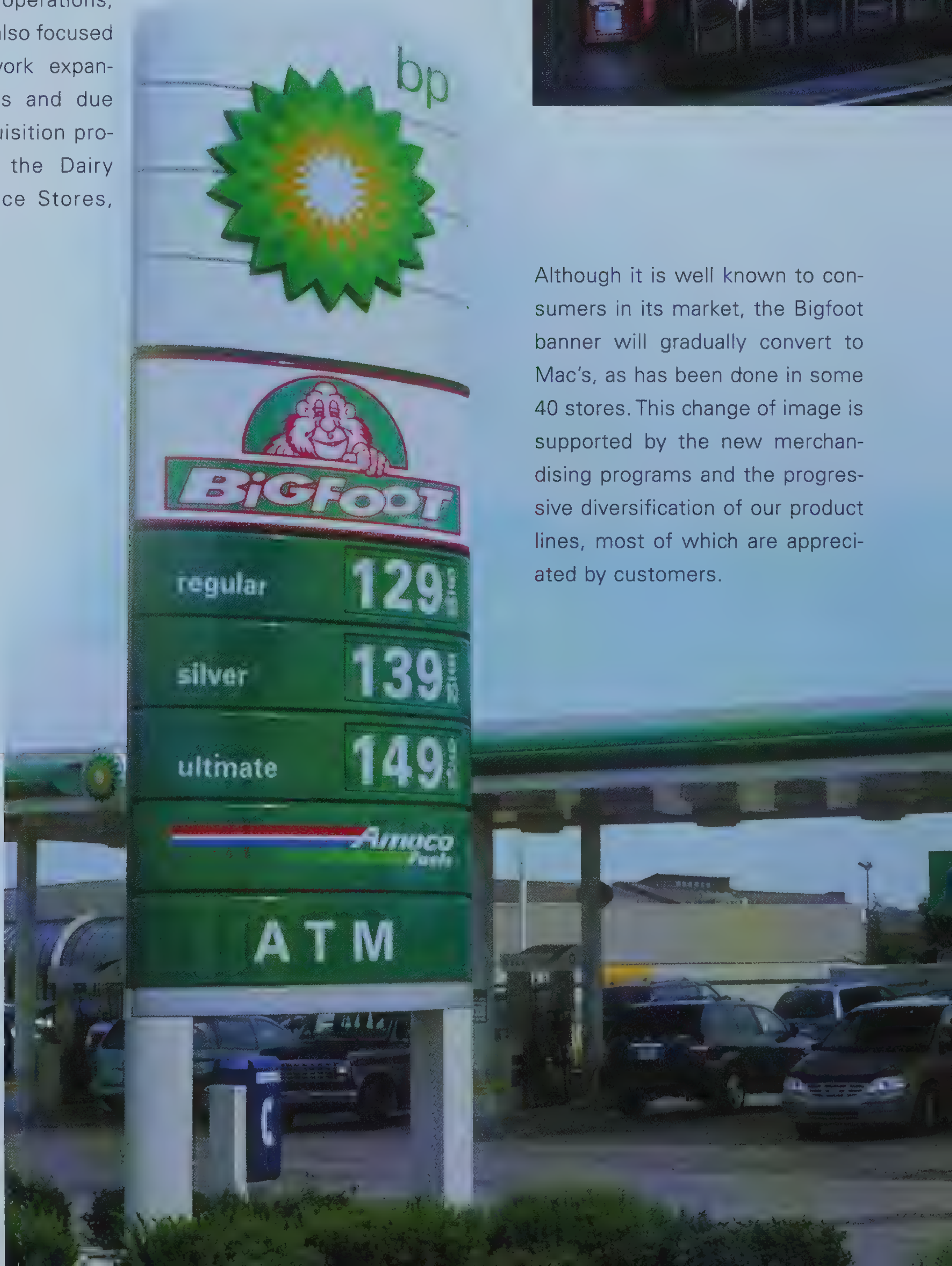
During the next year, we will focus on — fresh products and national branded restaurants inside stores — and network expansion with the renovation of several sites and opening of new stores, 50% of which will have a gas bar. A two-year intensive marketing program orchestrated partly in cooperation with the Central Canada market will sustain our proprietary branding growth strategy.

American Midwest

Fiscal 2001-2002 was a successful year in the **American Midwest.** We skillfully integrated into the Couche-Tard organization while reengineering our in-store business processes and merchandising. Despite a shortfall in gasoline margins and softness in the cigarette category, we met our financial objectives. As well, following acquisitions, the network integrated 18 stores during the year and 16 others subsequent to year-end.

We repositioned several lines in all Bigfoot stores and eliminated those with low turnover. Furthermore, security throughout the network improved significantly with the implementation of a new state-of-the art digital video system. Optical scanners at all cash registers enhance the quality of management information.

While making improvements throughout our operations, part of our team also focused on several network expansion opportunities and due diligence of acquisition projects, including the Dairy Mart Convenience Stores, Inc. network.



Although it is well known to consumers in its market, the Bigfoot banner will gradually convert to Mac's, as has been done in some 40 stores. This change of image is supported by the new merchandising programs and the progressive diversification of our product lines, most of which are appreciated by customers.

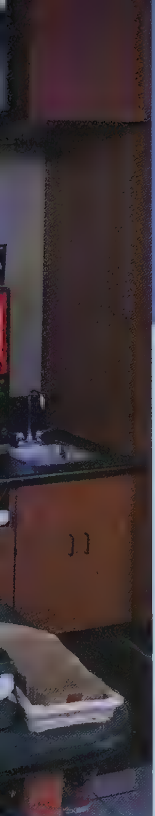
(Previous page)

Brian Hannasch *(centre)*
Vice-President, Operations, American Midwest

Mark Kesmodel *(left)*
Regional Director

Jim King *(right)*
Director of Marketing

Matt McCure *(far right)*
Director of Facilities



The network was further expanded, mostly in Indiana. In December 2001, six stores acquired from BP Amoco, located in Lafayette, were added to the network. In April 2002, 12 stores were purchased from Bruce Miller Oil Company in Ohio. Then on July 2, 2002, 16 stores operating under the Handy Andy Food Stores banner in the Indianapolis region joined the ranks, 15 of which have Marathon or Citgo gas bars. These excellent sites under the Handy Andy banner welcome more than 100,000 visitors a week.

At our new training centre in Columbus, Indiana, our store managers and sales clerks can now take training and professional development programs tailored to their responsibilities. Along with a variety of in-store improvements, this program has already reduced employee turnover by almost half. We are confident that the gradual implementation of a corporate culture centred on making store employees aware of their responsibilities and the importance of the customer, as well as ongoing training and differentiation, will further contribute to employee retention and a sense of belonging.

Our main growth areas are:

- the integration of Dairy Mart Convenience Stores, Inc. that will more than double our network and to which other small store networks could be added;
- the gradual implementation of the Store 2000 concept with its selection of fresh products and proprietary brands, in a friendly atmosphere adapted to each market, based on our new renovation concept;
- and the opening of new stores.

Executive Vice-President and Chief Financial Officer

Management's Discussion and Analysis of Operating Results and Financial Position

The fiscal ended April 28, 2002, was highlighted by strong growth,from two sources:

- **the acquisition of Johnson Oil Company, Inc.** in the American Midwest, closed on June 22, 2001, the integration of which was tied in with a benchmarking and improvement process at all levels of operations;
- **strong internal growth**, driven in part by the increasing effects of the Strategy 2000/Store 2000 concept implemented at 575 sites, including the 155 converted throughout the year. As well, 45 new stores opened during the year.

At the beginning of July 2002, taking into account expansion both during the year and subsequently, Couche-Tard had 1,958 stores, 756 of which had a fuelling site, including 1,577 corporate stores and 381 affiliates.These stores are spread across its four geographical markets, numbering 678 in Eastern Canada, 769 and 264 respectively in Central and Western Canada, and 247 in the American Midwest.

Following expansion and in anticipation of future growth, on December 20, 2001, Couche-Tard closed a public offering of four million Class "B" subordinate voting shares, at a unit price of $25.40. The net proceeds of approximately $97 million were temporarily used to repay some long-term debt.

During the year, Couche-Tard adopted the CICA's new recommendations related to goodwill and other intangible assets as indicated in Note 2 of the financial statements presented in this annual report.

In July 2001, to increase liquidity and facilitate stock trading, all of Couche-Tard's issued and outstanding Class "A" multiple voting shares and Class "B" subordinate voting shares were split on a two-for-one basis. In July 2002, the Company carried out a similar split, for a second consecutive year.

Operating Results

Consolidated sales for the year ended April 28, 2002, rose to $2,443.6 million, up 46% over $1,673.6 million for the previous fiscal year. This increase of $770.0 million resulted from:

- the contribution of the American network, which posted sales of $205.1 million in merchandise and $356.7 million in gasoline, for total sales of $561.8 million for 10 months of operations, representing almost 73% of the increase in the Company's sales;

- internal growth with sales of merchandise in the Canadian network growing by 11.1% during the period, including a same-store sales increase of 7.4%, compared with 5.7% for the previous year. This internal growth reflects in part the ongoing implementation of the Strategy 2000/Store 2000 concept using our micro-marketing approach. Gasoline sales in the three Canadian markets showed an increase of 15.9% for the year. Gasoline same-store sales by volume (in litres) grew 4.7% in Canadian markets, compared with -0.7% for 2000-2001.

Operating income (EBITDA) rose 37% over the 2000–2001 fiscal year, reaching $124.8 million compared with $91.1 million. This rise was due to the contribution of the American network, the continued increase in the selection of fresh products in the Canadian network, the synergies established between our markets and effective control over administrative and operating expenses.

The **operating profit margin** was 5.1%, compared with 5.4% for the 2000-2001 fiscal year. This variation was attributable primarily to two factors:

- the fact that 36.4% of Couche-Tard's consolidated revenues came from gasoline sales, versus 27.4% for the previous year. This increase was due mainly to the fact that 63.5% of Bigfoot's revenues came from gasoline sales;

- the increase in the price of cigarettes and pressure on the margin for calling cards, both of which lowered the gross margin on sales of merchandise in Canada.

Earnings before income taxes and amortization of goodwill grew by 47.8%, reaching $76.0 million, compared with $51.4 million for the previous fiscal year. It should be noted that this growth was achieved despite a 39.2% increase in depreciation of fixed assets and other assets subsequent to the year's expansion.

As mentioned in Note 2 to the financial statements *("Change in Accounting Policies")*, goodwill and intangible assets with a useful life determined to be indefinite are no longer amortized, in accordance with the CICA's new recommendations. Furthermore, due to a decrease in Canadian statutory tax rates and the fact that Couche-Tard can now take advantage of its North American structure to achieve certain tax savings, the effective tax rate on profits this year was 35.46%, compared with 43.02% for the previous year.

In 2001-2002, Couche-Tard reported **net earnings** of $49.1 million, up 104.7% over $24.0 million for previous year. Excluding the amortization of goodwill taken into account for the 2001 results, in accordance with the accounting practices then in effect, the increase in net earnings was 67.4%. **Earnings per share** reached $1.26 ($1.21 fully diluted), compared with $0.64 ($0.63 fully diluted) for the 2000-2001 fiscal year.

Quarterly growth of net earnings reached 66.5% and 84.5% for the first two quarters, and 144.4% and 230% for the third and fourth.

Principal Cash Flows and Financial Position

Cash flows from operations amounted to $97.6 million or $2.52 per share, compared with $59.5 million or $1.60 per share for the previous year. This growth of 64.1% stemmed from the sharp rise in net earnings, as well as higher depreciation and amortization and provisions for future income taxes.

Investing activities required cash resources of $197.2 million, compared with $40.4 million for the previous year. This significant variation was due to the acquisition of the American network, primarily net assets acquired in cash for $119.3 million from Johnson Oil Company, Inc., as well as the opening of 45 stores, the conversion of 155 sites to the Strategy 2000/Store 2000 concept, the construction of the distribution centre in Quebec, and various improvements to the network, notably in the United States, representing $84.9 million. During the year, Couche-Tard sold properties, including its distribution centre in Quebec, and generated funds of $12.1 million. This centre was leased for a period of 25 years.

Using net proceeds of approximately $97 million from the issue of Class "B" subordinate voting shares in December 2001, Couche-Tard repaid $95.7 million in debt. As at April 28, 2002, **long-term debt** totalled $172.3 million.

Total assets rose 40.5% as at April 28, 2002, reflecting mainly the acquisitions made during the year. They amounted to $787.2 million, compared with $560.2 million as at April 29, 2001.

Shareholders' equity amounted to $377.1 million, compared with $228.4 million at the end of the previous year, up 65.1% as a result of the public offering and an increase of 60.6% in retained earnings. **Book value** amounted to $9.09 per share, compared with $6.13 per share in fiscal 2000-2001.

The long-term debt/total equity ratio improved again this year to 0.46:1, compared with 0.61:1 a year earlier.

Liquidity and Capital Resources

(in thousands of dollars, except for the ratio)

	As at 28-04-2002	As at 29-04-2001
Cash flows	**97,610**	59,491
Total cash flows from operations	**78,304**	71,856
Long-term debt	**172,291**	139,094
Interest-bearing debt	**180,653**	148,997
Interest-bearing debt/ total capitalization	**0.32:1**	0.39:1
Shareholders' equity	**377,123**	228,351

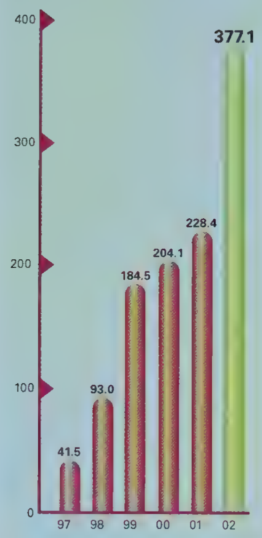
Capital Expenditures Planned for Fiscal 2002-2003

Couche-Tard plans to invest some $77 million, mainly in projects that will support its growth plans for the 2002-2003 fiscal year. The Company plans to finance all of these projects using cash flows.

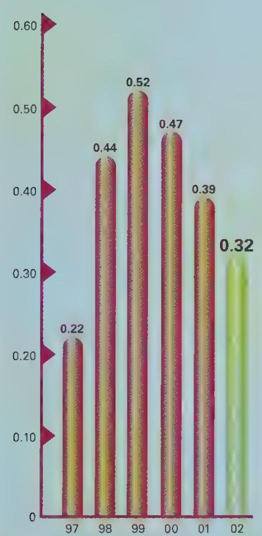
These investments will be used for:

- the opening of about 60 sites in the four geographic markets;
- the conversion of more than 200 stores to the Strategy 2000/Store 2000 concept;
- the completion of improvements to existing sites, including new equipment for fuelling sites as provided for in the three-year upgrading program initiated in 2000-2001;
- various information technology developments;
- and future branding, plus the deployment of the Mac's banner in the American network.

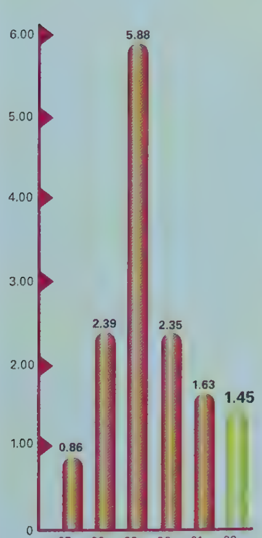
Moreover, Couche-Tard will shortly close the acquisition of Dairy Mart Convenience Stores, Inc.'s assets for approximately US$80 million in cash and the assumption of certain liabilities, mainly lease contracts. This acquisition will be financed by bank loans.



Shareholders' Equity
(million $)



Ratio
Interest-bearing Debt/Total Capitalization



Ratio
Interest-bearing Debt/EBITDA

Risks and Uncertainties

The Company faces fierce and diversified competition, both in Canada and the United States. With a healthy and stable financial position while doing business in a very fragmented market, the Company was able to take advantage of excellent acquisition opportunities in Canada and more recently in the United States, as well as to reinforce skills as a consolidator and integrator. Becoming the market leader in Canada and positioning itself among the top 10 convenience chains in North America put the Company in an enviable competitive position. Couche-Tard continues to emphasize employee training, its Strategy 2000/Store 2000 concept, the use of new technologies and the optimization of its distribution activities to constantly improve customer service and efficiency.

Couche-Tard markets certain product categories subject to uncontrollable price fluctuations, such as cigarettes and gasoline. In order to reduce the risks associated with the price variations of these products, the Company has developed a differentiation strategy based on its strengths: proximity and convenience, plus a diversification of its product mix through the introduction of fresh products, national branded restaurants and proprietary brands that target market segments with strong potential, while taking advantage of market trends and socio-demographic changes. This differentiation strategy is based on a capital expenditures program to modernize stores and enhance the quality of service.

Outlook

Couche-Tard anticipates a satisfactory increase in sales and net earnings for the 2002-2003 fiscal year, by maintaining its growth strategy focused on:

- the development of the Strategy 2000/Store 2000 concept in more than 200 sites and the addition of some 60 new stores including small network acquisitions in its four geographic markets;
- and acquisitions — including the assets of Dairy Mart Convenience Stores, Inc. which will close on August 20, 2002. Subsequent to this transaction, the network will more than double in the American Midwest and sales will grow by some Cdn$700 million annually. Couche-Tard plans to efficiently and profitably integrate this network of stores spread across five Midwestern and Southeastern States.

Furthermore, the ongoing benchmarking process in all four of its markets should be reflected in the results for next year. Fiscal 2002-2003 promises to be most encouraging for Couche-Tard.

Management's Report

The consolidated financial statements of Alimentation Couche-Tard Inc. and financial information contained in this Annual Report are the responsibility of management. This responsibility is based on a judicious choice of accounting procedures and principles, the application of which requires the informed judgment of management. The consolidated financial statements were prepared according to generally accepted accounting principles in Canada and were approved by the Board of Directors. In addition, the financial information included in the Annual Report is consistent with the consolidated financial statements.

Alimentation Couche-Tard Inc. maintains accounting and administrative control systems which, in the opinion of management, ensure reasonable accuracy, relevance and reliability of financial information and well-ordered, efficient management of the Company's affairs.

The Board of Directors is responsible for approving the consolidated financial statements included in this Annual Report, primarily through its Audit Committee. This Committee, which holds periodic meetings with members of management as well external auditors, reviewed the consolidated financial statements of Alimentation Couche-Tard Inc. and recommended their approval to the Board of Directors.

The enclosed consolidated financial statements were audited by Raymond Chabot Grant Thornton, Chartered Accountants, and their report indicates the extent of their audit and their opinion on the consolidated financial statements.

Chairman of the Board,
President and Chief Executive Officer

Alain Bouchard

Executive Vice-President
and Chief Financial Officer

Richard Fortin

Auditors' Report

To the Shareholders of Alimentation Couche-Tard Inc.

We have audited the consolidated balance sheets of Alimentation Couche-Tard Inc. as at April 28, 2002 and April 29, 2001 and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 28, 2002 and April 29, 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Raymond Chabot Grant Thornton

Chartered Accountants

Montréal
June 14, 2002

Consolidated Earnings

Years ended April 28, 2002 and April 29, 2001
(in thousands of dollars)

	2002 $	2001 $
Sales	**2,443,592**	1,673,634
Operating income	**124,812**	91,131
Depreciation and amortization of fixed and other assets (Note 5)	**34,337**	24,673
Financial expenses (Note 5)	**14,455**	15,024
	48,792	39,697
Earnings before income taxes and amortization of goodwill	**76,020**	51,434
Income taxes (Note 6)	**26,958**	22,127
Earnings before amortization of goodwill	**49,062**	29,307
Amortization of goodwill	**—**	5,336
Net earnings	**49,062**	23,971
Earnings per share		
Basic	**1.26**	0.64
Fully diluted	**1.21**	0.63

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Retained Earnings

Years ended April 28, 2002 and April 29, 2001
(in thousands of dollars)

	2002 $	2001 $
Balance, beginning of year	**75,898**	51,927
Net earnings	**49,062**	23,971
	124,960	75,898
Share issue expenses (net of future income taxes of $1,524)	**3,036**	—
Balance, end of year	**121,924**	75,898

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Cash Flows

Years ended April 28, 2002 and April 29, 2001
(in thousands of dollars)

	2002 $	2001 $
OPERATING ACTIVITIES		
Net earnings	**49,062**	23,971
Non-cash items		
Depreciation and amortization	**29,965**	25,567
Loss on disposal of fixed assets and other assets	**1,468**	746
Future income taxes	**17,115**	9,207
	97,610	59,491
Deferred revenue	**2,056**	—
Provision for site restoration costs	**(1,276)**	(840)
Other	**(1,286)**	(1,486)
Changes in working capital items (Note 7)	**(18,800)**	14,691
Cash flows from operating activities	**78,304**	71,856
INVESTING ACTIVITIES		
Business acquisition (Note 4)	**(119,324)**	—
Liabilities assumed on business acquisitions	**—**	(1,573)
Fixed assets	**(84,943)**	(38,027)
Disposal of fixed assets and other assets	**12,077**	1,508
Goodwill and other assets	**(5,005)**	(2,332)
Cash flows from investing activities	**(197,195)**	(40,424)
FINANCING ACTIVITIES		
Bank indebtedness	**5,495**	(6,153)
Long-term debt	**116,362**	104
Repayment of long-term debt	**(95,732)**	(28,623)
Issue of shares	**102,852**	305
Share issue expenses	**(4,560)**	—
Cash flows from financing activities	**124,417**	(34,367)
Net increase (decrease) in cash	**5,526**	(2,935)
Cash, beginning of year	**7,483**	10,418
Effect of foreign currency adjustments	**(137)**	—
Cash, end of year	**12,872**	7,483

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets

April 28, 2002 and April 29, 2001
(in thousands of dollars)

	2002 $	2001 $
ASSETS		
Current assets		
Cash	**12,872**	7,483
Accounts receivable	**51,339**	31,147
Inventories	**144,939**	103,182
Prepaid expenses	**1,939**	2,748
Future income taxes	**5,094**	9,091
	216,183	153,651
Fixed assets (Note 8)	**315,018**	213,492
Future income taxes	**5,033**	4,029
Goodwill	**235,696**	181,159
Other assets (Note 9)	**15,237**	7,828
	787,167	560,159
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 10)	**7,652**	—
Accounts payable and accrued liabilities	**196,194**	148,945
Income taxes payable	**720**	10,460
Future income taxes	**10,483**	—
Instalments on long-term debt	**710**	9,903
	215,759	169,308
Long-term debt (Note 11)	**172,291**	139,094
Deferred credits and other liabilities (Note 12)	**21,994**	23,406
	410,044	331,808
SHAREHOLDERS' EQUITY		
Capital stock (Note 13)	**254,083**	151,231
Contributed surplus	**1,222**	1,222
Retained earnings	**121,924**	75,898
Cumulative translation adjustments (Note 14)	**(106)**	—
	377,123	228,351
	787,167	560,159

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board,

Alain Bouchard
Director

Richard Fortin
Director

April 28, 2002 and April 29, 2001 (in thousands of dollars, except per share amounts)

1. GOVERNING STATUTES, NATURE OF OPERATIONS AND YEAR-END DATE

The Company, incorporated under Part IA of the Companies Act (Québec), operates a network of convenience stores. The Company's year-end corresponds to the last Sunday of April of each fiscal year.

2. CHANGE IN ACCOUNTING POLICIES

Earnings per share

During the year ended April 28, 2002, the Company adopted, on a retroactive basis, the new recommendations of the Canadian Institute of Chartered Accountants regarding the calculation and presentation of earnings per share information. According to the new recommendations, the treasury stock method should be used instead of the imputed earnings approach to determine the dilutive effect of stock options for the purpose of calculating diluted earnings per share. The adoption of these new recommendations had a negligible impact on diluted earnings per share calculations.

Goodwill and other intangible assets

During the year ended April 28, 2002, the Company adopted, on a prospective basis, the new recommendations issued by the Canadian Institute of Chartered Accountants in Section 3062 entitled "Goodwill and Other Intangible Assets". According to the new recommendations, goodwill and other intangible assets with a useful life determined to be indefinite are no longer amortized and are tested for impairment, either annually or more frequently if events or situations indicate possible impairment.

The table below presents a reconciliation between net earnings and basic earnings per share as reported in 2001 and the corresponding figures following application of Section 3062:

	2002	2001
	$	$
Net earnings	**49,062**	23,971
Add amortization of goodwill	**—**	5,336
Adjusted net earnings	**49,062**	29,307
Basic earnings per share		
Net earnings	**1.26**	0.64
Amortization of goodwill	**—**	0.15
Adjusted net earnings	**1.26**	0.79

3. ACCOUNTING POLICIES

Accounting estimates

In preparing its financial statements in accordance with Canadian generally accepted accounting principles, the Company is required to make estimates and judgements affecting the amounts of assets and liabilities recorded, contingencies disclosed at the balance sheet date and the recognition of revenues and expenses for the year. Management has made the most appropriate estimates and judgements.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and of its subsidiaries which are wholly owned.

Foreign currency translation

The US subsidiary's assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the balance sheet date since this subsidiary is considered to be self-sustaining from a financial and operational standpoint. Revenue and expenses are translated at the average rate in effect during the year. Gains and losses are shown under the cumulative translation adjustments account in the shareholders' equity.

The Company has designated its entire long-term debt denominated in US dollars as a hedge of its net investment in its self-sustaining foreign subsidiary. Accordingly, the related exchange gains or losses are also presented under the cumulative translation adjustments account.

Inventory valuation

Inventory is valued at the lower of cost and net realizable value. Depending on products, cost is based on the average cost method or on the retail price less a normal gross margin.

Income taxes

The Company uses the tax liability method to account for income taxes. Under this method, future tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of the assets and liabilities. They are measured by applying enacted or substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse.

Depreciation

Fixed assets are depreciated over their estimated useful lives according to the following methods, period and annual rates:

	Methods	Period and rates
Buildings and parking lots	Diminishing balance	5%
Leasehold improvements and petroleum infrastructure	Straight-line	7%
Equipment	Diminishing balance	15%
Signs	Diminishing balance	20%
Buildings under capital leases	Straight-line	Lease term not exceeding 30 years

Goodwill

The Company reviews the carrying amount of goodwill annually according to an estimate of net earnings and current and future discounted cash flows in order to determine whether a writedown should be recorded.

Other assets

Financing costs are amortized on a straight-line basis over the period of the corresponding debt. Costs incurred in connection with the analysis and signing of operating leases are deferred and amortized over the lease term. Other deferred charges are amortized on a straight-line basis over a period of 5 to 7 years.

Property held for resale is valued at the lower of cost and estimated realizable fair value.

Employee future benefits

The Company accrues its obligations under employee pension plans and the related costs, net of plan assets. The Company has adopted the following policies with respect to the defined benefit plans:

- The cost of pension benefits earned by employees is actuarially determined using the projected benefit method pro rated on service and is recorded in income as the services are rendered by employees. The calculations reflect management's best estimate of expected plan investment performance, salary escalation and retirement ages of employees.
- For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.
- The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees.

The pension costs recorded in earnings for the defined contribution plan is equivalent to the contributions which the Company is required to pay in exchange for services provided by employees.

April 28, 2002 and April 29, 2001 (in thousands of dollars, except per share amounts)

3. ACCOUNTING POLICIES (CONTINUED)

Environmental costs

Allowances for site restoration costs represent the estimated future cost of ensuring that the soil and sub-soil meet government standards for sites under the Company's responsibility. The obligation is recognized on the earlier of the following dates: the date on which the contaminant is discovered or the date on which operations on the site are discontinued. The estimated amount of future restoration costs is reviewed regularly based on available information and governing legislation. Where the forecast restoration costs, less any amount to be recovered from third parties, exceed existing provisions, an expense is recognized in the year during which the shortfall has been identified.

Stock option plans

The Company offers stock option plans as described in Note 13. No amount is recognized for these plans when the share purchase options are issued to managers and directors. Any consideration received when holders exercise their options is credited to capital stock.

4. BUSINESS ACQUISITION

On June 22, 2001, the Company acquired some of the operating assets of Johnson Oil Company Inc., which operates a network of convenience stores under the Bigfoot banner in the states of Indiana, Kentucky and Illinois. Considering the transaction costs, this acquisition was made for a total cash consideration of $119,324. The following cost price allocation was based on information available at the acquisition date:

	$
Current assets	36,961
Fixed assets	60,137
Goodwill and other assets	57,312
	154,410
Current liabilities assumed	34,638
Note payable	448
	35,086
Net assets acquired and cash consideration paid	119,324

Moreover, the Company has signed leases in connection with this transaction for the rental of commercial space and petroleum facilities. Under these leases, the Company is required to pay approximately US$11,300 annually over 20 years. The leases include clauses for an annual indexation of 2%.

5. INFORMATION INCLUDED IN THE CONSOLIDATED STATEMENT OF EARNINGS

	2002	2001
	$	$
Depreciation and amortization of fixed and other assets		
Fixed assets	**33,195**	24,440
Other assets	**1,142**	233
	34,337	24,673
Financial expenses		
Interest on long-term debt	**14,060**	14,033
Interest on current liabilities	**755**	1,130
	14,815	15,163
Interest income	**(360)**	(139)
	14,455	15,024

6. INCOME TAXES

The income tax provision includes the following:

	2002	2001
	$	$
Current income taxes	**9,843**	12,920
Future income taxes	**17,115**	9,207
	26,958	22,127

The principal items which caused in differences between the Company's effective income tax rates and the combined statutory rates in Canada are detailed as follows:

	2002	2001
	%	%
Combined statutory income tax rate in Canada[a]	**39.90**	41.04
Large corporations tax	**—**	1.01
Impact of the announced tax rate reductions	**(2.99)**	—
Other permanent differences	**(1.45)**	0.97
Effective income tax rate	**35.46**	43.02

[a] The Company's combined statutory income tax rate in Canada includes the appropriate provincial income tax rates.

The components of future tax assets (liabilities) are as follows:

	2002	2001
	$	$
Short-term future tax asset (liability)		
Expenses deductible in future years	**4,595**	4,346
Non-capital losses	**—**	3,903
Deferral of GST and QST receivable	**(10,483)**	—
Deferred revenue	**499**	842
	(5,389)	9,091
Long-term future tax asset (liability)		
Excess of capital cost allowance over depreciation for accounting purposes	**(6,565)**	(5,965)
Non-capital losses	**1,041**	—
Deferred revenue	**3,125**	3,889
Borrowing and share issue costs	**574**	140
Goodwill	**(889)**	(1,280)
Other assets	**(2,868)**	—
Other	**293**	(962)
	(5,289)	(4,178)

7. INFORMATION INCLUDED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

The changes in working capital items are detailed as follows:

	2002	2001
	$	$
Accounts receivable	**(7,872)**	446
Inventories	**(17,517)**	(12,692)
Prepaid expenses	**2,103**	(90)
Accounts payable and accrued liabilities	**14,226**	18,741
Income taxes payable	**(9,740)**	8,286
	(18,800)	14,691

Cash flows relating to interest and income taxes of operating activities are detailed as follows:

	2002	2001
	$	$
Interest paid	**12,280**	15,583
Income taxes paid	**18,556**	6,642

8. FIXED ASSETS

			2002
	Cost	**Accumulated depreciation**	**Net**
	$	**$**	**$**
Land	**25,529**	**—**	**25,529**
Buildings	**82,846**	**27,272**	**55,574**
Parking lots	**4,666**	**2,471**	**2,195**
Leasehold improvements	**90,465**	**32,332**	**58,133**
Petroleum infrastructure	**76,527**	**15,687**	**60,840**
Equipment	**217,695**	**110,784**	**106,911**
Signs	**12,193**	**7,546**	**4,647**
	509,921	**196,092**	**313,829**
Buildings under capital lease	**4,533**	**3,344**	**1,189**
	514,454	**199,436**	**315,018**

April 28, 2002 and April 29, 2001 (in thousands of dollars, except per share amounts)

8. FIXED ASSETS (CONTINUED)

			2001
	Cost	Accumulated depreciation	Net
	$	$	$
Land	20,219	—	20,219
Buildings	61,215	25,505	35,710
Parking lots	4,619	2,423	2,196
Leasehold improvements	72,057	28,014	44,043
Petroleum infrastructure	29,231	8,811	20,420
Equipment	185,522	100,136	85,386
Signs	11,009	6,992	4,017
	383,872	171,881	211,991
Buildings under capital lease	5,113	3,612	1,501
	388,985	175,493	213,492

9. OTHER ASSETS

	2002	2001
	$	$
Deferred charges, at amortized cost	**9,505**	2,031
Property held for resale, at the estimated fair value	**—**	1,397
Deferred pension expense	**3,566**	2,280
Other, at cost	**2,166**	2,120
	15,237	7,828

10. BANK INDEBTEDNESS

Bank indebtedness includes the portion of the credit facilities available to the Company which it has used.

The Company has a renewable operating credit in the amount of $40,000 available in Canadian or US dollars which bears interest at the Canadian or US prime rate plus 0% to 0.50% or at LIBOR plus 0.75% to 1.50%, depending on whether certain financial ratios are achieved. The operating credit is also available in the form of bankers' acceptances with stamping fees of 0.75% to 1.5%, depending on whether certain financial ratios are achieved. As at April 28, 2002, an amount of $30,610 was available under this credit facility and the effective interest rate was 3.19% (6.75% as at April 29, 2001).

The Company also has a US$3,000 line of credit which bears interest at the US prime rate. As at April 28, 2002, an amount of US$1,000 was available under this credit facility and the effective interest rate was 4.75%.

11. LONG-TERM DEBT

	2002	2001
	$	$
Credit arrangement [a]		
Credit A (including US$6,000 as at April 28, 2002)	**9,370**	20,000
Credit B	**50,000**	50,000
Credit C (including US$37,226 as at April 28, 2002)	**58,136**	72,500
Credit D (including US$32,604 as at April 28, 2002)	**50,918**	—
Note payable secured by land, 9%, payable in monthly instalments, maturing in 2005	**373**	—
Mortgage loans secured by land and buildings, rates varying from 5.79% to 13.25% (7% to 13.25% in 2001), payable in monthly instalments, maturing on various dates until 2016	**487**	690
Buildings under capital lease, rates varying between 8.18% and 13.25% (11.25% and 13.25% for 2001), payable on various dates until 2018	**3,717**	3,807
Note payable, 8%	**—**	2,000
	173,001	148,997
Instalments due within one year	**710**	9,903
	172,291	139,094

[a] Credit arrangement

Credit A

Revolving credit for a maximum amount of Cdn$80,000 available in Canadian or US dollars, maturing on April 30, 2004, bearing interest at the Canadian or the US prime rate plus 0.75% to 1.50%, or LIBOR plus 1.75% to 2.50%, depending on whether certain financial ratios are achieved. This credit is also available in the form of bankers' acceptances with stamping fees of 1.75% to 2.50% depending on whether certain financial ratios are achieved. As at April 28, 2002, the effective rate was 4.06% (7.07% as at April 29, 2001).

Credit B

Term credit for a maximum authorized amount of Cdn$50,000 maturing on April 16, 2006 and bearing interest at the prime rate plus 2.75% or the bankers' acceptance rate with stamping fees of 3.75%. As at April 28, 2002, the effective rate was 5.91% (8.43% as at April 29, 2001).

Credit C

Term credit for a maximum authorized amount of US$37,226 maturing on May 1, 2006, available in Canadian or US dollars in the form of advances or bankers' acceptances according to the same rates as credit A. As at April 28, 2002, the effective interest rate was 4.07% (7.07% as at April 29, 2001).

Credit D

Term credit for a maximum authorized amount of US$32,604 maturing on June 20, 2007, bearing interest at the US prime rate plus 2% or at LIBOR plus 3%. As at April 28, 2002, the effective interest rate was 4.81%.

An amount of $25,000 of credit B is subject to an interest rate swap in order to establish the annual rate for the bankers' acceptance at 5.25% until May 2004.

Under the credit arrangement, the Company has to satisfy certain commitments, including the maintenance of certain financial ratios.

The instalments on long-term debt for the next years are as follows:

	Obligations under capital leases	Other loans
	$	$
2003	1,181	266
2004	1,143	184
2005	1,033	9,545
2006	924	50,036
2007 and subsequent years	3,145	109,253
	7,426	
Interest expenses included in minimum lease payments	3,709	
	3,717	

12. DEFERRED CREDITS AND OTHER LIABILITIES

	2002	2001
	$	$
Deferred revenue	**10,664**	13,199
Future income taxes	**10,322**	8,207
Provision for site restoration costs	**1,008**	2,000
	21,994	23,406

13. CAPITAL STOCK

Authorized

Unlimited number of shares without par value

First and second preferred shares issuable in series, ranking prior to other classes of shares with respect to dividends and payment of capital upon dissolution, non-voting. The Board of Directors is authorized to determine the designation, rights, privileges, conditions and restrictions relating to each series of shares prior to their issuance

April 28, 2002 and April 29, 2001 (in thousands of dollars, except per share amounts)

13. CAPITAL STOCK (CONTINUED)

Class "A" multiple voting and participating shares, ten votes per share except for certain situations which provide for only one vote per share, convertible into Class "B" subordinate voting shares on a share-for-share basis at the holder's option. Under the articles of amendment, no new Class "A" multiple voting share can be issued

Class "B" subordinate voting and participating shares, convertible automatically into Class "A" multiple voting shares on a share-for-share basis upon the occurrence of certain events

The order of priority for the payment of dividends is as follows:
- First preferred shares
- Second preferred shares
- Class "B" subordinate voting shares and Class "A" multiple voting shares, ranking pari passu

Issued and fully paid

The number of shares outstanding changed as follows:

	2002 Number of shares	2002 $	2001 Number of shares	2001 $
Class "A" multiple voting shares				
Balance, beginning of year	**14,274,612**	**12,029**	14,313,194	12,062
Conversion into class "B" shares	**(200)**	**—**	(38,582)	(33)
	14,274,412	**12,029**	14,274,612	12,029
Class "B" subordinate voting shares				
Balance, beginning of year	**22,964,568**	**138,990**	22,876,676	138,640
Issuance	**4,000,000**	**101,600**	—	—
Issuance resulting from the conversion of the Class "A" shares	**200**	**—**	38,582	33
Stock options exercised for cash	**204,500**	**1,252**	48,000	305
Business acquisition	**275**	**2**	1,310	12
	27,169,543	**241,844**	22,964,568	138,990
Total issued and fully paid		**253,873**		151,019
Shares to be issued Class "B" subordinate voting shares	**22,003**	**210**	22,278	212
		254,083		151,231

During the year ended April 28, 2002, the Company split all of its shares on a two-for-one basis. All share and per share information in these consolidated financial statements has been adjusted retroactively to reflect this stock split.

On December 20, 2001, the Company issued 4,000,000 Class "B" subordinate shares voting shares for $25.40 per share, for total gross proceeds $101,600. The share issue expenses, net of the related future income taxes, total $3,036.

Subsequent to year end, on April 30, 2002, the Company's management exercised 760,000 Class "B" subordinate stock options for a total cash consideration of $3,894.

The weighted average number of shares used to compute basic earnings per share is 38,790,149 (37,236,996 in 2001). The number of shares used to compute fully diluted earnings per share is 40,688,573 (37,918,591 in 2001).

Stock option plans

Two plans provide for granting stock options for the purchase for Class "B" subordinate voting shares. Under the plans, 3,700,000 subordinate shares were reserved for issue. The conditions governing the granting and exercise of the options are established by the Board of Directors, as is the term of the options, which cannot exceed 10 years. The options granted can generally be exercised on the anniversary of being granted, over four years.

The table below presents the status of the Company's stock option plans as at April 28, 2002 and April 29, 2001 and the changes therein during the years then ended.

	2002 Number of options	2002 Weighted average exercise price	2001 Number of options	2001 Weighted average exercise price
		$		$
Balance, beginning of year	**2,894,000**	**8.53**	2,424,000	8.31
Granted	**1,100,000**	**24.84**	620,000	9.53
Options exercised	**(204,500)**	**6.12**	(48,000)	6.35
Cancelled	**(8,000)**	**10.68**	(102,000)	10.35
Balance, end of year	**3,781,500**	**13.40**	2,894,000	8.53
Exercisable options at end of year	**1,987,500**		1,737,500	

The following table presents information on the stock options outstanding as at April 28, 2002:

	Options outstanding			Options exercisable	
Range of exercise prices	Number of outstanding options as at April 28, 2002	Weighted average remaining contractual life	Weighted average exercise price	Number of exercisable options as at April 28, 2002	Weighted average exercise price
		$		$	
$4 - $6	760,000	0.15	4.92	760,000	4.92
$9 - $11	1,921,500	4.08	10.20	1,007,500	10.32
$13 - $17	340,000	9.08	14.57	68,000	14.57
$25 - $30	760,000	9.90	29.43	152,000	29.43
	3,781,500			1,987,500	

14. CUMULATIVE TRANSLATION ADJUSTMENTS

	2002	2001
	$	$
Balance, beginning of year		
Effect of exchange rate fluctuations during the year on the net investment in the self-sustaining foreign subsidiary	**(106)**	—
Balance, end of year	**(106)**	—

April 28, 2002 and April 29, 2001 (in thousands of dollars, except per share amounts)

15. EMPLOYEE FUTURE BENEFITS

The Company has defined benefit pension plans and a defined contribution pension plan for certain employees.

Information about the Company's defined benefit plans, in aggregate, is as follows:

	2002	2001
	$	$
Accrued benefit obligations		
Balance, beginning of year	**30,798**	30,382
Current service cost	**548**	569
Interest cost	**2,080**	2,088
Benefits paid	**(3,251)**	(2,241)
Actuarial losses	**591**	—
Balance, end of year	**30,766**	30,798
Plan assets		
Balance, beginning of year	**35,316**	37,383
Actual return on plan assets	**(2,405)**	(475)
Employer contributions	**—**	516
Employees' contributions	**112**	133
Benefits paid	**(2,735)**	(2,241)
Balance, end of year	**30,288**	35,316
Funded status - plan surplus (deficit)	**(478)**	4,518
Unamortized net actuarial loss	**9,119**	3,402
Unamortized transitional net asset	**(5,075)**	(5,640)
Accrued benefit asset	**3,566**	2,280

As at April 28, 2002, the accrued benefit obligation for pension plans with a funding deficit amounted to $5,916 (5,828 in 2001). These plans are not funded and, accordingly, there are no assets.

Information about pension income for the Company's defined benefit plan for the year is as follows:

	2002	2001
	$	$
Pension income		
Current service cost	**436**	436
Interest cost	**2,080**	2,088
Expected return on plan assets	**(2,721)**	(2,927)
Amortized transitional asset	**(565)**	(567)
Pension income for the year	**(770)**	(970)

The significant actuarial assumptions which management considers to be the most likely used to determine the accrued benefit obligation are the following:

	2002	2001
	%	%
Discount rate	**6.75**	7.0
Expected rate of return on plan assets	**8.0**	8.0
Rate of compensation increase	**4.0**	4.0

The Company's total pension expense under its defined contribution plan for the year 2002 is $655 ($522 in 2001).

16. ENVIRONMENT

The Company is subject to federal and local legislation governing the storage, handling and sale of gasoline and related products. The Company considers that it is generally in compliance with current environmental legislation.

The Company has undertaken an ongoing site testing and restoration program in cooperation with the regulatory authorities. Moreover, in connection with the closure of certain business locations, the Company is required to remove the gasoline sale facilities.

In order to provide for the above-mentioned restoration costs, the Company has recorded a $1,841 allowance for environmental costs as at April 28, 2002 ($3,117 as at April 29, 2001). Of this amount, $833 ($1,117 as at April 29, 2001) has been presented on a current basis.

17. FINANCIAL INSTRUMENTS

The following methods and assumptions were used to determine the estimated fair value of each class of primary financial instrument:

- The fair value of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities is comparable to the carrying amount thereof given that they will mature shortly.
- There is no material difference between the fair value and the carrying amount of the Company's long-term debt as at April 28, 2002 and April 29, 2001 given that the largest loans bear interest at a floating rate.

The fair value of the interest rate swap, as determined by the Company's bank based on quoted market prices for similar instruments at the balance sheet date, is ($707) (($44) in 2001).

18. CONTRACTUAL OBLIGATIONS

As at April 28, 2002, the Company has entered into lease agreements expiring on various dates until 2027 which call for the payment of $728,230 for the rental of commercial space, equipment and a warehouse. Several of these leases contain renewal options and some space is subleased to franchise-holders. The minimum lease payments for the next five years are $74,909 in 2003, $67,746 in 2004, $61,133 in 2005, $54,649 in 2006 and $49,575 in 2007.

19. CONTINGENCIES

Various claims and legal proceedings have been initiated against the Company in the normal course of its operations. In management's opinion, these claims and proceedings are unfounded. Management estimates that any payments resulting from their outcome are not likely to have a substantial negative impact on the Company's results and financial position.

20. SEGMENTED INFORMATION

The Company essentially operates in one dominant segment, the sale of goods for immediate consumption and gasoline through corporate stores or franchise operations. It operates a convenience store chain under several banners, including Couche-Tard, Mac's and Bigfoot. Revenues from outside sources mainly fall into two categories: merchandise and gasoline. The Company operates convenience stores in Canada and, since 2002, in the United States.

Information on the principal revenue classes as well as geographic information is as follows:

			2002	2001
	Canada	United States	Total	Canada
	$	$	$	$
External customer revenues[a]				
Merchandise	**1,349,565**	**205,150**	**1,554,715**	1,214,263
Gasoline	**532,203**	**356,674**	**888,877**	459,371
	1,881,768	**561,824**	**2,443,592**	1,673,634
Gross margin				
Merchandise	**427,526**	**66,890**	**494,416**	395,901
Gasoline	**54,484**	**36,735**	**91,219**	43,880
	482,010	**103,625**	**585,635**	439,781
Fixed assets and goodwill[a]	**428,018**	**122,696**	**550,714**	394,651

[a] Geographic areas are determined according to where the Company generates operating income (where the sale takes place) and according to the location of the fixed assets and goodwill.

The Company is not dependent on one major customer as a revenue source.

21. SUBSEQUENT EVENTS

On June 6, 2002, the Company made an offer to acquire assets of Dairy Mart Convenience Stores Inc., a chain of convenience stores operating in the states of Ohio, Kentucky, Pennsylvania, Michigan and Indiana. The acquisition is expected to cost US$80 million cash. The offer is conditional to receiving approval from regulatory and legal authorities.

Directors

Alain Bouchard (1)
Chairman of the Board
President and Chief Executive Officer

Richard Fortin (1)
Executive Vice-President
and Chief Financial Officer

Réal Plourde (1)
Executive Vice-President
and Chief Operating Officer

Jacques D'Amours (1)
Vice-President, Administration

Robert Brunet (3)
President
Socoro (Robert Brunet Consulting)

Jean Élie
Corporate Director

Josée Goulet
President
Bell Québec

Roger Longpré (2) (3)
President
Mergerac Inc.

Simon Sénécal (2) (3)
Investment Advisor
National Bank Financial

Jean Turmel *
President
Financial Markets,
Treasury and Investment Bank
National Bank of Canada

(1) Member of the Executive Committee
(2) Member of the Human Resources Committee
(3) Member of the Audit Committee
* New Appointment
subject to the approval of shareholders
at the Annual General Meeting of Shareholders
on September 25, 2002

Officers

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Chairman of the Board
President and Chief Executive Officer

Richard Fortin
Executive Vice-President
and Chief Financial Officer

Réal Plourde
Executive Vice-President
and Chief Operating Officer

Jeffrey Bush
Vice-President, Finance
American Midwest

Yvan Bussières
Vice-President, Distribution

Jacques D'Amours
Vice-President, Administration

Stéphane Gonthier
Vice-President, Operations,
Eastern Canada and Secretary

Michael Guinard
Vice-President, Development

Brian Hannasch
Vice-President, Operations,
American Midwest

Dale Pettit
Vice-President and Treasurer

David Rodgers
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